

# Memorandum

TO: Mayor and City Council  
FROM: <sup>R✓</sup> Randy Gross, Chief of Staff (x8844)  
DATE: February 9, 2001  
RE: Diversity Audit

## Background

At the April 27, 2000 City Council meeting, Council approved issuing a request for proposal (RFP) for a comprehensive diversity audit. Review of the consultants responding to the RFP was delayed until recently because of a change in the city manager and the fact that the attorney general's investigation had not been completed. The scope of work for the RFP consisted of five components:

1. assessment of structural diversity issues, including City personnel policies and procedures;
2. assessment of diversity climate in the workplace, including surveys and focus group interviews of employees;
3. assessment of diversity climate in the community, including surveys and focus group interviews of residents;
4. comprehensive diversity assessment report based on the above components; and a
5. diversity action plan.

Six companies responded to the RFP. These are:

- ◆ Boyle & Associates, Inc.
- ◆ RMA Management Alliance, Inc.
- ◆ Cultural Link, Inc.
- ◆ R. Thomas Consulting & Training
- ◆ MGT of America
- ◆ Jamieson & Gutierrez

### **Human Relations Commission Recommendation**

The Human Relations Commission reviewed the consultants proposals based on conceptual framework, methodology, expertise and budget, and recommended the following three consultants be interviewed.

- ◆ Jamieson & Gutierrez
- ◆ Boyle & Associates, Inc.
- ◆ MGT of America

The Human Relations Commission also re-reviewed the scope of work for the RFP and recommends that components 1, 2, 4 and 5 of the scope of work be completed and component no. 3 – assessment of diversity climate in the community – be deferred at this time.

### **Council Ad Hoc Human Relations Committee Recommendation**

The City Council Ad Hoc Human Relations Council Committee comprised of Councilmembers Len Copple and Ben Arredondo and Human Relations Commission Chair Michael Lisi and Vice Chair David Strang agreed with the recommendations of the Human Relations Commission that consultants Jamieson, Boyle, and MGT be interviewed. The Committee would like to discuss with the Council who should interview and recommend to the full Council the consultants for the assessment. This could include the full Council, the Ad Hoc Council Committee, members of the Human Relations Commission, staff, or a combination of the above.

### **Staff Recommendation**

Staff concurs with the Human Relations Commission's assessment of the top three consultants. Staff recommends it be part of the interview process and also work with the Human Relations Commission and Council in implementation of the audit.

Staff also requests that recent changes made in the organization be considered as part of any assessment of the organization. These changes are outlined in the attached memo labeled "Employee Relations Initiatives."

Attachment

## HUMAN RELATIONS COMMISSION MEMBERS EVALUATION SCORES

Evaluation Criteria Scores					
Jamieson & Gutierrez	Boyle	MGT of America	Culture Link	RTCT	RMA
74	92	80	72	66	68
84	72	54	46	62	40
94	70	76	64	70	48
88	82	66	66	40	54
85	80	82	66	64	54
80	74	66	62	46	40
85	84	65	65	46	51
80	76	74	92	64	54
670	630	563	533	458	409
Average					
83.75	78.75	70.375	66.625	57.25	51.125

## COST AND TIMELINE TABLE

Price Sheet - 00-109				
	Total Cost of all Components	Cost for Component III	Timeline	
Jamieson & Gutierrez	\$ 462,710.00	\$ 126,814.00	18 months	
Culture Link	\$ 144,720.00	No breakout	11.7 months	
MGT of America	\$ 97,600.00	\$ 15,450.00	To be determined	
Boyle	\$ 497,700.00	\$ 71,450.00	8 months	
RMA	\$ 172,500.00	No breakout	6 months	
RTCT	\$ 1,070,220.00	\$ 330,195.00	33 months	

# Memorandum



City of Tempe

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Date: February 8, 2001

To: Daniel R. Ortega, Ortega & Associates, P.C.

From: Bill Hernandez, Human Resources Director  
Bruce Gardner, Human Resources Analyst

Subject: Employee Relations Initiatives

The mission of the City is to make Tempe the best place to live, work, and play. The following employee initiatives and actions have been taken by the City in recent months to support the City's mission.

## **Organizational Assessment**

### A. 1999 Employee Attitude Survey

In 1999, an Employee Attitude Survey was completed for the entire City. Dr. Bruce Merrill, who spearheaded the survey, indicated that since 71% of the City's full-time employees responded, the survey was a valid representation of employee attitudes at the time. As a result of the survey, the following five task force committees were created: Management and Supervision, Pay and Salary, Internal Communication, Career Enrichment/Growth, and Employee Recognition. All committees were comprised of employees who defined the committee issues, identified solutions to the issues, and presented recommendations to City Management on how to improve on the issue.

### B. Daniel Ortega Report

As a result of a Human Resource investigation into several employee grievances within Public Works, the City retained Daniel Ortega, an attorney for Ortega & Associates, to provide an opinion on the adequacy of the processing of employees' grievances and civil rights complaints and to explore whether the Human Resource investigation into those grievances and complaints was a fair and thorough process. It was recommended by Mr. Ortega for the City to hire an independent firm to conduct a city-wide diversity audit that would lead to address.

### C. Attorney General Report

Based upon the findings of Daniel Ortega's report, City Management requested the State of Arizona Attorney General's office to conduct a survey/investigation of the alleged discriminatory and retaliatory practices within the Public Works Department and, more

specifically, within the Field Services Division. As a result of the investigation, the Attorney General's Office recommended to evaluate the performance and leadership of management in Field Services; for Human Resources to take a more active role in ensuring that management and supervisory employees are consistent in any employment actions, including disciplinary actions and training opportunities; and, finally, for employees to communicate their concerns and complaints to management in a timely matter and to also seek out promotional and education opportunities. Currently, City Management and Human Resources are following up on the employee complaints and concerns mentioned within the report.

#### D. Diversity Audit

As suggested by the Daniel Ortega report, the City submitted a Request for Proposal (RFP) for a diversity consultant to provide an accurate and current assessment of the status of the City relative to diversity management and to develop a detailed action plan for improvement. Currently, upon the request of City Council, the Human Relations Commission (HRC) created a committee to review the bids received from the RFP. The Commission plans to narrow the list of the bids received down to two or three finalists and present them to Council by mid-March. The City Council will then choose the firm that will complete the diversity assessment.

#### E. Ad-Hoc Committee on Human Relations

In light of the recent reports by Daniel Ortega and the Attorney General's Office, the Mayor announced the formation of the Ad-Hoc Committee on Human Relations. The scope and responsibilities of the Committee will focus on employee relations and diversity related issues throughout the City. Councilman Leonard Copple will chair the committee, while Councilman Ben Arredondo and the chairperson and vice-chairperson of the Human Relations Commission will serve as the other members. The Chief of Staff and Human Resources Director for the City will provide staff assistance to the Committee.

### **Training**

#### A. Civil Treatment for Employees and Supervisors

The Tempe Learning Center (TLC) facilitated a civil treatment training class for employees and supervisors. All employees were required to attend the training by June 2000. The purpose of the course was to promote the civil treatment of others within the organization and to build a work environment that is productive, positive, and professional for all employees.

#### B. The Tempe Way for Employees and Supervisors

Per the request of the City Manager, TLC is developing a civil treatment course that centers more on Tempe policies and procedures and will replace the current Civil

Treatment class. The course will focus on EEOC regulations, diversity training, FMLA, FLSA, ADA, and sexual harassment policies. Also, the course will cover the civil treatment of others regardless of race, gender, disability, origin, and sexual orientation.

C. Supervisor Training

Progressive Discipline training - in order to be more consistent across departmental lines regarding the disciplining of employees, TLC, with the help of Human Resources, is developing a progressive discipline class for supervisors. During the initial development of the course, the current discipline form will be modified to be more beneficial in the discipline counseling process. Currently, supervisors have been using the disciplinary form to communicate to their subordinates even if a disciplinary action isn't warranted. Therefore, it has been suggested by the HR Director to change the name of the form so employees do not feel that every communication received by their supervisor is disciplinary in nature.

D. Tempe Essentials

TLC is currently reviewing the Tempe Essentials course provided to new employees. One focus of the course is to implement the new Tempe Way checklist created by the City Manager's office which serves as a guideline to make Tempe the best place to live, work, and play. During the morning portion of the course, the City recognizes employees that reach a milestone in years of service. Also, new employees have an opportunity to attend a tour of City buildings and visit the many important landmarks within the City. Furthermore, new employees are instructed on ethical issues that they may encounter while employed by the City.

E. Field Services Communication Training

Public Works contracted with an AGTS instructor to train Public Works' employees team oriented exercises in order to identify issues and to develop an overall action plan. The goal of the training is to not only help the employees think as a team, but to work more effectively as a team. The training is being completed in three parts:

<b>Personnel</b>	<b>Training</b>
Public Works Manager down to the Assistant Field Services Superintendents	Leading a team-based organization
All Field Services Supervisors	Managing a team-based organization
All employees in Streets and Sanitation	Operating in a team-based organization

## **Policies/Procedures**

### **A. Rules and Regulations Rewrite**

The Rules and Regulations manual is currently being re-written and updated. As part of this process, the City is creating a smaller employee handbook version that is easier to use for employees. The new employee handbook will be given to employees at their new-hire orientation. Within the handbook only the most pertinent information will be provided to employees. Many of the subjects currently under review covers disability, the Equal Employment Opportunity and the EEOC, Family Medical Leave Act (FMLA), Fair Labor Standards Act (FSLA), American with Disabilities Act (ADA), and diversity.

### **B. Complaint Resolution Process**

The Interim City Manager instituted a new personnel complaint resolution policy to effectively and professionally address work-related issues and/or concerns. The policy was not created to replace the employee grievance procedure, but rather to establish the proper lines of communications regarding work-related issues.

### **C. Disciplinary Action Process Revision**

In order to be more consistent across departmental lines regarding the disciplining of employees, TLC, with the help of Human Resources, is developing a progressive discipline class for supervisors. The current way supervisors discipline employees may be inconsistent across departmental lines. During the initial development of the course, the current discipline form will be re-created to be more helpful in the discipline process. Recently, supervisors may have been using the disciplinary form to communicate to their subordinates even if a disciplinary action isn't warranted. Therefore, it has been suggested by the HR Director to change the name of the form so employees do not feel that every communication received by their supervisor is disciplinary in nature.

### **D. 360° Performance Evaluation**

In March 2001, a new performance evaluation system will be implemented. The 360° performance evaluation is a process in which the work performance of an individual is evaluated by the supervisor, peers, subordinates, solicited customers, and others who may have familiarity with the employee's work. It will provide the most comprehensive input possible, thereby enhancing a supervisor's ability to more completely evaluate an employee's performance.

### **E. 360° Promotional Evaluation**

As with the 360° performance evaluation, the 360° promotional evaluation will also utilize supervisors, peers, subordinates, solicited customers, and others who may have

familiarity with the employee's work in order to gather the most comprehensive input possible.

### **Benefits**

#### **A. Employee Health Insurance Committee**

The Health Insurance Committee was comprised of employees who assisted with the development of the selection criteria for the recent PPO network request for proposal. The Committee members emphasized and focused on having a broad selection of specialist providers in the network as an important criterion. Tempe employees also had an opportunity to provide input, which were then reviewed by the Committee. Recently, the Committee concluded the review and recommended that the contract be rewarded to Arizona Foundation, the incumbent.

#### **B. Bi-lingual Pay**

In July 2000, the Interim City Manager implemented new rates for those employees who utilize their bi-lingual skills. For those employees that use their bi-lingual skills frequently, the pay they receive went from \$75 to \$100 monthly. For those employees that use their skills occasionally, the pay they receive went from \$35 to \$50 monthly. Since the date of implementation, the number of employees within the program has grown from 60 employees in the beginning of January 2000 to over 120 in February 2001.

#### **C. Tuition Reimbursement**

In September 2000, the Interim City Manager revised the tuition reimbursement policy. The revised policy increased the maximum annual reimbursement from approximately \$2200 to \$5000. The revised policy now allows reimbursement for textbooks. Plus, effective January 1, 2001, the City will take advantage of Section 127 of the IRS Tax Code, which allows for tax-free exemption of employer provided education assistance for undergraduate courses.

#### **D. Catastrophic Leave Program**

In July 2000, the Interim City Manager implemented a new Catastrophic Illness/Injury Leave Policy. The policy allows up to 160 hours of Catastrophic Leave to eligible employees during each calendar year for a serious, non job-related, incapacitating illness or injury (as certified by a physician) to the employee; or, to an employee's spouse, child, parent or domestic partner with a serious health condition as defined under the Family and Medical Leave Act (FMLA). Employees will be paid 100% of their regular salary during the use of the leave. The Catastrophic Leave will be used only after all paid leave balances have been exhausted.

E. Temporary Benefit Package Review

Due to recent Federal legislation and the recent implementation of the Ensure to Insure policy, Human Resources is reviewing the cost and implementation of a temporary benefit package for those eligible employees.

F. Top Tier Pay Policy Implementation

The Interim City Manager has developed the 'top-tier' pay concept. The City will now strive to be towards the top of our labor market for salary and benefits.

G. Broad Banding

In order to compensate employees in key management positions, the City implemented a broad banding compensation system. The City now uses a specific broad range of salary for managerial and directorial positions within the City. The salaries for those employees incorporated into the broad bands are determined by the following factors: market, performance, internal equity, and value to the organization.

H. Lifetime Insurance Benefit

The lifetime insurance benefit for the PPO was increased from one million to two million.

I. City-wide Severance Policy

In July 2000, the City implemented a city-wide severance policy for employees who have completed one year of service and whose position is eliminated by City Council, or their resignation is requested by management. Eligible employees will receive two weeks severance pay at current base hourly rate for each completed year of City service. The maximum severance period is six months.